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MONTANA LETTER

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November 29, 1973

EMERGENCY LIVESTOCK FEED

Broadwater and Cascade Counties have been added to the original 20 counties where the emergency livestock feed program is available. The LFP program has been available since August 9 in: Deer Lodge, Flathead, Glacier, Granite, Jefferson, Lake, Lewis & Clark, Liberty, Lincoln, Madison, Meagher, Mineral, Missoula, Pondera, Powell, Sanders, Silver Bow, Teton, Toole and Wheatland.



Win Church,
Deputy Dir.

The LFP has a goal of maintaining basic herds through the sale of low cost government feeds; in our case oats. As you know, the livestock industry cannot increase production without years of planning. Therefore, if the present herds were allowed to be decimated, the prices of meat would undoubtedly soar out of reach of the ordinary family, if it were available at all.

A livestockman who has suffered a loss of feed because of the prolonged dry spell must prove to the ASC county committee that replacing this feed would cause undue financial hardship. This means that his financial resources preclude his obtaining the required feed from normal supplies without imperiling continuance of his farming operations, defaulting on existing financial obligations, unsound borrowing, or excessive disposal of livestock.

Applications received or known to be forthcoming at this time indicate a need for at least 5 million bushels of oats by spring. When we began the program, we had about one million bushels of oats stored in Montana, half of which was in position in affected counties. The other half is in the process of being put in position in emergency counties. Other oats is also being brought in, mostly from Jamestown, N.D. to date. Stocks in four northwestern North Dakota counties have also been made available to us. In addition arrangements are being made to obtain oats from other North Dakota



Terry Harmon, Western Regional Director,
(L) and Leo S. Kolstad, SED

locations. Our biggest bottleneck at this time is transportation. We are racing time to keep the available grain even with the demand with available boxcars and trucks. The Burlington-Northern railroad is being most cooperative and considering

the possibility of renovating 24 refrigerator cars, presently unusable, enough to move grain. These cars could be placed in a shuttle status between Jamestown & emergency areas.

The state of Washington has seven counties in this same emergency designation, Idaho 3, Oregon 10, and South Dakota 3 counties.

Winfred R. (Win) Church, Deputy Director, Western Region, stopped by the state office and discussed the situation before he, Russ Flattum & Lyall Schaefer of the state office; Jake Egeler, Pondera CED; and Helen Gill, Deer Lodge, Granite & Powell CED; went on to Portland, on October 17-19 for an area meeting on the emergency situation. They worked on updating the procedures to allow more efficient handling of the emergency measures.

Terrance G. (Terry) Harmon, Western Regional Director, came to Montana before any of the counties were designated to personally view the affected areas. He was back this month to help correlate grain movement to the affected states and to assist us in keeping the program rolling.

We have had somewhere in the neighborhood of 1,000 applications approved to date in the state. We are moving the grain into position to be used just as fast as possible.

Producers throughout the state have been cooperating by sending our county offices listings of available hay, straw and pasture. These listings have been compiled and all county offices are posting the compilations. Indications are that they are being used quite heavily.

If you know of someone who suffered feed-stuff losses because of the drought in the designated counties, and needs help, urge them to apply to their local ASCS office so that their eligibility can be established and plans can be made to have needed grain available.

NEW FARM ACT

The Agriculture and Consumer Protection Act of 1973 is designed to place further reliance on the marketplace for the farmer's income and at the same time to protect the farmer in case of a drastic market shift. It will protect the consumer by allowing the farmer to produce at a maximum level to meet the demand.

Under the new program the Secretary of Agriculture will establish both wheat and feed grain allotments each year based on our expected need. He will establish the yields based on a five year adjusted average of yields reported by the Statistical Reporting Service. The SRS obtains their reports from producers in a scientifically structured random sampling throughout the states and counties.

There will be a target price of \$2.05 per bushel of wheat for 1974 and 1975. In 1976 and 1977 target prices will be adjusted for a change in production costs and average yields, nationally. The feed grain target prices will be established on a basis of relative feed value.

In order to protect either a wheat or feed grain allotment, at least 90% must be planted. However, substitution of feed grain, alternate crops, and, at the discretion of the Secretary, other crops is allowed for history protection.



A new disaster insurance feature provides for a special payment when a natural disaster limits the planting of allotment crops; or when a natural disaster limits harvested production to less than two-thirds of the allotment times the established farm yield.

The authority to require land set-aside is provided in years the Secretary considers land retirement a necessity. Cost-sharing for control of erosion, insects, weeds and rodents or for establishment of wildlife food plots or habitat on set-aside is

authorized. The Secretary may also provide for additional voluntary set-aside and has discretionary power to impose or suspend conserving base requirements.

Proven wheat yields are continued, but the base period has been changed to five years with a natural disaster adjustment provision.

The Act also contains a \$20,000 payment limitation, several provisions affecting dairy products, extends the authority for payments on wool and mohair, extends the provisions of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), continues beekeeper indemnities, authorizes a number of special studies and technical support programs, requires export sales reporting, establishes a disaster feed reserve, and continues rural development. The Act also directs the Secretary of Agriculture to encourage production of imported commodities on set-aside acreage, establishes long-term contracts for REAP and Waterbank programs, and establishes a forestry incentives program. Food stamp and commodity distribution programs are also included.

DETERMINATIONS FOR 1974

The Secretary has made announcements regarding the following features of the program which rest within his discretion:

Barley will be a feed grain for the four years of the program.

Conserving bases will not need to be maintained for the four-year life of the program.

There will be no set-aside for 1974.

The National wheat allotment for 1974 will be 55 million acres, and the feed grain allotment will be 89 million acres.

The 1974 target price for wheat will be \$2.05, for corn \$1.38 per bushel, and for barley \$1.13 per bushel.

For 1974 any nonconserving crop (other than quota crops) and conserving crops used for any purpose will be allowed in substitution to protect allotments. This will include sugar crops.

The 1974 National average loan rate has been established at \$1.37 for wheat, \$1.10 for corn, 90¢ for barley, 54¢ for oats, and 89¢ for rye.

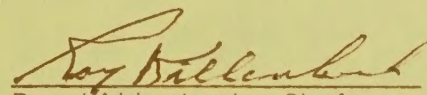
FS LOAN CHANGES

The interest rate on farm storage facility and drying equipment loans is being raised to 8.75 percent per annum from 6.0 percent because of higher borrowing costs to CCC.

In addition, a borrower will now need a 30 percent down payment rather than 15 percent. This change was necessary because of the great increase in the amount of on-farm storage being built. In 1973 41,046 loans were made for \$156.6 million, representing more than 313.5 million bushels of storage capacity. This was a record use. In Montana 671 loans were made for \$1.7 million to build 5.6 million bushels of storage.

SPREADING IT THIN... AND QUICK...

"THE OVERALL INCOME SITUATION in agriculture is now profitable. Let us enjoy it. If when times are good we worry because they might some day again be bad, when shall we ever find occasion to be happy?" -Don Paarlberg, Director of Agricultural Economics, USDA, November 1973....MONTANA'S LAMB CROP is a record low for the seventh consecutive year. An estimated 625,000 head, the 1973 crop is 7 percent below last year. The highest lamb crop on record is 2.7 million, recorded in 1934..


Roy Killenbeck, Chairman
Montana State ASC Committee
P.O. Box 670
Bozeman, MT 59715

The following information was obtained from the records of the Department of the Interior, Bureau of Land Management, for the year ending December 31, 1954.

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